Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

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PAGE 01 GABORO 01815 151125Z
ACTION EB-08

INFO OCT-01 AF-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 CTME-00 JUSE-00 L-03 H-02 PA-02 /108 W
----------072189 160452Z /17
R 150525Z JUN 78
FM AMEMBASSY GABORONE
TO SECSTATE WASHDC 2485
INFO AMCONSUL CAPE TOWN
AMCONSUL JOHANNESBURG
AMEMBASSY MASERU
AMEMBASSY MBABANE
AMEMBASSY PRETORIA

UNCLAS GABORONE 1815

E.O.11652: N/
TAGS: ECON, EALR, BC
SUBJECT: SOUTHERN AFRICAN CUSTOMS UNION

REF: (A) GABORONE 356 (B) MASERU 550 (C) MBABANE 803

1. BOTSWANA DAILY NEWS OF JUNE 2 REPORTS INFORMATION RELEASE FROM MINISTRY OF COMMERCE AND INDUSTRY THAT FOUR PERCENT SALES TAX CHARGEABLE ON RETAIL PRICES IN SOUTH AFRICA BY EARLY JULY WILL HAVE NO EFFECT ON COMMODITY PRICES IN BOTSWANA. MOREOVER, AS WAS AGREED BETWEEN BOTSWANA AND SOUTH AFRICAN AUTHORITIES, MAIL ORDER AND OTHER PURCHASES MADE IN BOTSWANA THROUGH EXTERNAL REPRESENTATIVES OF SOUTH AFRICAN COMPANIES WILL ALSO BE EXEMPTED FROM THE TAX, AS WELL WILL WHOLESALE ORDERS FROM BOTSWANA TRADERS (TAX IS ONLY CHARGED DIRECTLY TO CONSUMERS).

2. THE MINISTRY RELEASE CONCLUDED THAT THE SA SALES TAX WILL HELP BOTSWANA BECAUSE:
(A) THE SALES TAX, WHICH BOTSWANA DOES NOT HAVE TO PAY, WILL GRADU-
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PAGE 02 GABORO 01815 151125Z

ALLUY REPLACE THE SALES DUTY, WHICH AFFECTS BOTSWANA. CONSE-
QUENTLY THE 15 PERCENT IMPORT SURCHARGE WILL FALL TO 12.5 PERCENT
(B) LOCAL TRADERS CAN SELL THEIR SALES TAX FREE GOODS AT MOR
COMPETITIVE PRICES AND CONSUMERS WOULD BE LESS MOTIVATED TO DO
THEIR PERSONAL SHOPPING IN SOUTH AFRICA.

COMMENT: THE FACT THAT THE RSA DOES NOT INTEND TO IMPOSE ITS

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SALES TAX ON BOTSWANA (AND PRESUMABLY LESOTHO AND SWAZILANREMOVES WHAT ONCE WAS SEEN AS A POSSIBLE MAJOR IRRITANT WITHIN THE
SOUTHERN AFRICAN CUSTOMS UNION.
HOOVER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS UNIONS, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 15 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GABORO01815
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780366-0339
Format: TEL
From: GABORONE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780653/aaaabtxg.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 1f3be287-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
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SAS ID: 2331214
Secure: OPEN
Status: NATIVE
Subject: SOUTHERN AFRICAN CUSTOMS UNION
TAGS: ECON, EALR, BC, SF
To: STATE
Type: TE
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